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One Hundred Twelfth Congress  
U.S. House of Representatives  
Committee on Foreign Affairs  
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October 12, 2011

Honorable Patty Murray  
Honorable Jeb Hensarling  
Joint Select Committee on Deficit Reduction  
United States Congress  
Washington, DC 20515

Dear Senator Murray and Representative Hensarling:

Pursuant to section 401(b)(3)(A)(ii) of the Budget Control Act of 2011 (P.L. 112-25), I am writing to transmit recommendations for changes in law to help reduce the deficit by at least \$1.5 trillion from fiscal years 2012 to 2021.

As your committee considers spending cuts, no area of the federal budget – including the International Affairs Budget, or Function 150 -- should be exempt from thorough scrutiny. However, international programs have already shouldered a disproportionate share of the burden. According to the *New York Times*, the \$8 billion cut to State Department and foreign operations appropriations made last April was “the single largest cut to any one department.” The House Foreign Operations Subcommittee has proposed cutting the administration’s FY 2012 request by another 20 percent, which could mean decimating our famine relief efforts in the Horn of Africa, losing the window of opportunity to support democratic reforms as a result of the Arab Spring, and complicating our military’s plans for withdrawal from Iraq and Afghanistan.

Many of the calls for cuts in international programs are based on the belief that the United States spends far more in this area than it actually does. Annual polls by the University of Maryland show that Americans vastly overestimate the percentage of the federal budget allocated to foreign aid, with a median estimate of 25 percent. When asked how much they think would be an appropriate percentage, the median response is 10 percent – a response that has remained unchanged for the past fifteen years. In reality, of course, foreign assistance accounts for about 1 percent of the federal budget. Thus even very large cuts in international programs would have only a minimal impact on deficit reduction.

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More importantly, short-term savings through further cuts to our international affairs budget are likely to increase long-term costs, both financial and human. Our children cannot be safe when deadly diseases run rampant and the global environment is degraded. Our jobs will not grow if people in other countries cannot afford to buy the products we make. And our budget deficit will not shrink if we are called to respond with military force to national security threats that could have been addressed with less costly preventive measures.

In this period of belt-tightening and economic uncertainty, some seem to think that foreign assistance is a luxury we can no longer afford. However, with one out of five American jobs tied to international trade, and our fastest growing markets – accounting for roughly half of U.S. exports – located in developing countries, America can't afford a course of isolation and retreat. Our economic fate is interconnected with the rest of the world, and the collapse of developing economies will unavoidably mean our own decline.

A responsible and reasonable plan for deficit reduction requires a balanced approach that includes both spending cuts and increased revenues, along with an emphasis on economic growth and job creation to promote economic recovery. One of the best ways to strengthen the U.S. manufacturing base and create new job opportunities is to expand U.S. exports. According to the U.S. Department of Commerce, for every \$1 billion in U.S. exports, 6,000 manufacturing jobs are supported here at home. With 95 percent of the world's consumers living overseas, there is tremendous potential to grow through increased exports – especially for smaller sized manufacturers, only one percent of which currently sell their products in foreign markets. Significant job-creation potential also exists for American firms producing environmental and green technology products and services. Currently, U.S. exports account for only a tiny fraction of the \$900 billion global market in energy, renewable, and environmental products.

Finally, significant cost savings can be realized by improving the efficiency and effectiveness of our foreign assistance programs. The Foreign Assistance Act of 1961, a cumbersome and outdated legislative framework that was developed during the Cold War, must be completely overhauled. Last month I released a discussion draft of the Global Partnerships Act of 2011, which would eliminate duplication and waste, strengthen accountability and oversight, slash red tape, make aid more efficient, improve transparency, increase effectiveness, and leverage private investment. A new foundation for our international assistance programs would ensure that we achieve the maximum impact for every dollar we spend.

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Under the Budget Control Act of 2011, Function 150 is included in security spending for FY 2012 and FY 2013. This classification recognizes the critical role of diplomacy and development, alongside defense, in keeping Americans safe and protecting our national security. I would urge that your committee take special care to ensure that international affairs spending is not singled out to bear the brunt of further reductions, which would be dangerous and counterproductive.

Sincerely,

A handwritten signature in blue ink that reads "Howard L. Berman". The signature is fluid and cursive, with the first name "Howard" being the most prominent.

HOWARD L. BERMAN  
Ranking Member